

Stop the Despair

40,000 CHILDREN A DAY DIE OF HUNGER, AND THIS YEAR EMPLOYEES THROUGHOUT AUSTRALIA ARE DOING THEIR BIT TO CHANGE THE WORLD THROUGH WORLD VISION'S 40-HOUR FAMINE. THEIR STORY IS ON PAGE 3.

New Services Organisation

"Digital Services" is a new organisation spawned by the uniting of Customer Services and Enterprise Integration Services, and headed by former Regional CS Manager Graeme Shorter (*pictured*).

The team, which comprises nearly half of SPR's employee population, will strive to position us for the 1990s with the industry's "best-in-class" services, growth and profit. VP Corporate Services Russ Gullotti recently announced a similar merge at Corporate level and Graeme says streamlining SPR's organisation will improve productivity, eliminate charter conflicts, and allow us to integrate more closely to meet customer needs.

At the time of this writing, line management appointments to SPR Digital



Services' nine business units (down from the previous 15) are yet to be announced.

Graeme's promotion is the latest in a long line since he started as a "one man band" in Townsville with the then-Field Service function in 1975. ■

PHOTOGRAPH COURTESY OF WORLD VISION

Q3 RESULTS
SEE PAGE 9

Overview: Mohamed Haddadi

The signing four years ago of a Partnership for Development agreement between Digital and the Australian Government was the catalyst which spurred the development of SPR Manufacturing.

Based in Lane Cove, Sydney (SNA), Manufacturing has now become a truly viable component of the Corporation's global manufacturing strategy. Emphasis is placed on Telecommunications and Networks products. In fact, SNA is one of only three world-wide which manufacture those products for Digital and is therefore integral to our international manufacturing program.

At the helm is Mohamed Haddadi, who succeeded Peter Seuffert as Regional Manufacturing Manager last October.

□ **Mohamed, what's the role of SPR Manufacturing within the overall structure of Digital?**

One of the reasons I was appointed was to integrate manufacturing into SPR and, above all, to make it cost-competitive and therefore a valid strategy.

To this end, the role of Manufacturing has been expanded into other realms - such as Logistics, Materials, Warehousing and Distribution, and the provision of services to the rest of our organisation like Purchasing.

We're also responsible for leveraging the manufacturing presence for marketing purposes, but primarily we are committed to manufacturing operations to produce products for export.

□ **Where does SPR Manufacturing concentrate its product development?**

The Australian manufacturing arm fits very much into Digital's world-wide Networks and Communications strategy. We're an integral part of this strategy and shall continue our hardware development in that specific arena.

We've made a significant investment in Australia and over the coming years expect to see a return on that investment in the form of our exports of locally manufactured hardware and software, with the hardware coming out of SPR Manufacturing and software from the R&D centre (T&N @OZY, led by Rob Starkey) in Queensland. Our goal for hardware and software exports is \$A100 million by 1992.

□ **Order fulfilment positions you in the front line with the customer. How do you handle this?**

We drive the operation very heavily on quality and customer satisfaction. We're responsible for the complete product order fulfilment: procuring the products, warehousing and shipping. We take over the moment the order is entered and manage that order all the way to customer delivery.



Regional Manufacturing Manager Mohamed Haddadi speaks out about the role of this important operation and other aspects of his far-reaching charter.

We have to ship quality product to the committed timeframe. To maintain the highest degree of customer satisfaction we must have a short cycle time which, with some products, means literally off-the-shelf. Products such as PCs and some workstations will not tolerate a wait in the cycle time. But always, throughout our activities, we focus on quality as it relates to the customer.

□ **At SNA, world-class manufacturing methods have been implemented. What do these involve?**

"Our manufacturing shop compares very favourably with any Digital manufacturing plant world-wide and allows us to be globally competitive."

Our manufacturing shop is state-of-the-art. It compares very, very favourably with any Digital manufacturing plant world-wide and allows us to be globally competitive.

The methods we employ to sustain a consistently high level of quality include Material Requirements Planning, Just-in-Time, Total Quality Management and Flexible Manufacturing. By the end of this year, we expect to be certified to world-wide standards as a Class A MRP II site.

Quality is of the utmost importance. By implementing these controls and methodologies we are able to ship 100% quality every time. We're achieving the highest possible manufacturing and delivery standards.

□ **Where is SPR Manufacturing heading?**

Our strategy to manufacture networks and communications products will not alter. However, the menu will change.

Through the Partnership agreement we are committed to a certain volume of exports. To date, we have kept every commitment of the agreement and we shall continue to do so.

We'll continue to focus very heavily on quality and customer satisfaction, and to maintain a manufacturing operation that's cost competitive on a world-wide scale. This is what makes SPR manufacturing a valid strategy. ■

Adding Momentum to Manufacturing

The driving force behind SPR Manufacturing, Mohamed Haddadi, has been with Digital for seven years. Prior to this assignment, he was Group Internal Audit Manager in the US and has held both Finance and Operations positions in Corporate Materials and Distribution, Manufacturing, Purchasing and Customer Service — all in the USA.

Pre-Digital, the softly spoken Mohamed was with Norton Company, a *Fortune* 500 multinational, for ten years in a variety of manufacturing, operations and finance positions. He's also held similar positions with other multinational organisations in both America and Europe.

Mohamed holds an Engineering degree from France, and a Master of Science in Management degree from MIT. He is a member of SPR's Executive Committee. ■

Digital Enters Massively Parallel Computer Market

Digital is the first broad-line supplier to formally enter the emerging market for super fast, high-end machines called massively parallel computers.

Digital will now market computers from MasPar Computer Corporation world-wide.

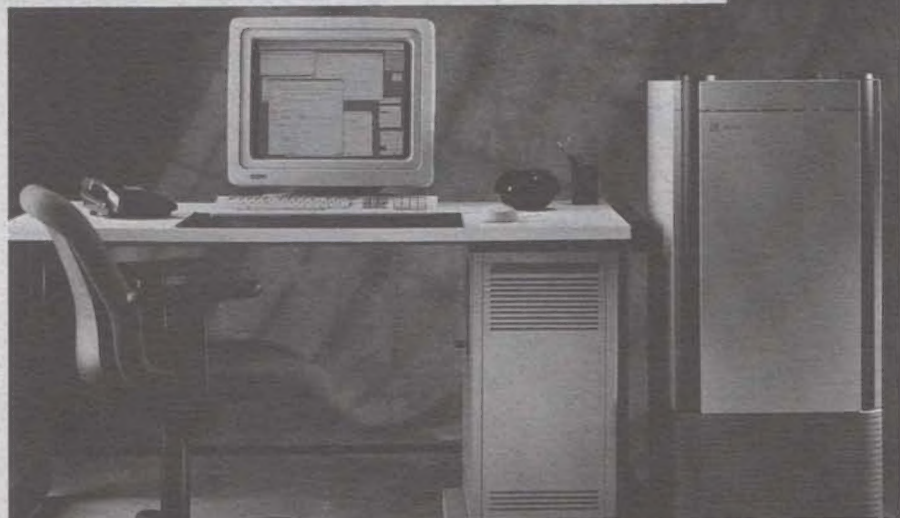
Massively parallel computers are usually defined as having 1000 or more processors. Where conventional computers operate on data elements serially, one at a time, data on MasPar's systems is spread across many processors and operated on simultaneously, allowing very high data throughput.

26,000 MIPS

MasPar's systems have as many as 16,384 processors and offer performance up to 26,000 million instructions per second (MIPS) and 1300 million floating point operations per second (MFLOPS). They cost about 5% of a comparable Cray supercomputer, or about \$A40 a MIP.

Not much larger than a two-drawer filing cabinet, the MP-1 plugs into a standard wall outlet and uses less power than most hair driers.

Products resulting from the strategic



VAST POWER in a small package: the MasPar MP-1 computer now to be marketed by Digital.

agreement will be based on MasPar product line — a line familiar to Digital in that it uses our workstations for program development and as the system control console. The new products will be integrated into our computing environment in line with our strategy to offer the broadest range of solutions.

Australia was first in Digital's world to sell a MasPar system — a 1300-MIP system to CSIRO's Information Technology division in June last year. Since then, SNO-based Greg Madden has sold a 4600-MIP MasPar system to Melbourne Uni and received interest from other bodies who are looking into massively parallel computing. ■

Digits Unite Against Despair

For 40 hours next month, many Australian employees will say 'No' to food and at the same time say 'No' to suffering of needy people around the world.

From sponsorships both within and outside Digital, they're raising money for World Vision's 40-Hour Famine, from 8:00pm Friday, June 14 to noon Sunday, June 16.

World Vision is an international aid organisation working in over 80 countries to assist needy families and provide aid to people suffering through famine, natural disasters or war.

The drive inside Digital to support the 40-Hour Famine is being led by Candace Parks, SNO-based Sales Training Manager. She's a World Vision child sponsor and her \$A27 a month is pooled with others' donations to fund projects that help the community where her sponsor child lives.

Last year Candace participated in the 40-Hour Famine for the first time and sponsors inside Digital helped her to raise \$A750 — within the top 100 money earners of 438,000 people who fasted!



CANDACE PARKS

She became convinced that if someone started the ball rolling, employees would embrace the Famine. This year, Candace is liaising between Digital and World Vision to ensure that every Digit participating has a book allocated to a Digital Account, allowing our success to be easily tracked.

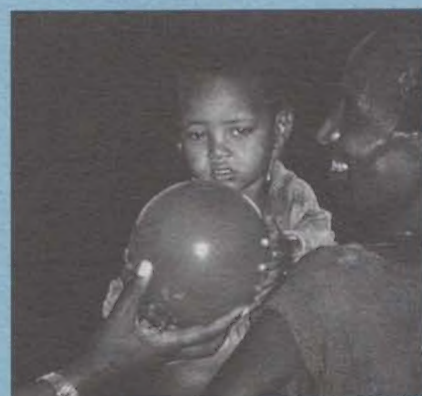
"I find it staggering that 40,000 children die of hunger *every day*," she says. "That's appalling, and it takes so little to do something about it."

If you share Candace's view, you can help by contacting her today and:

1. **Do the 40-Hour Famine.** Get in touch with one of the contacts listed below to receive a Famine booklet allocated to the special Digital Account, or,
2. **Sponsor someone else.** If you don't know anyone doing the Famine, send your cheque, made out to World Vision, to Candace. She'll send you a receipt. Remember: it's tax deductible!

Contact Candace on SNO extension 5878 or by ALL-IN-1, or one of the following: ADO Phil Heenan, BBO Mike Edmiston, MEA Bill Ellerton, MEO Carl Whitehead, SMP Cheryl Fergusson, SNA Andrew Amos, SNM Kate Lynch, SNS Wayne McAuliffe, STL Kylie Perri or WPO Mike Shade.

WHAT A DIFFERENCE you can make. World Vision helped this young child escape his desperate plight (inset). ▼



PHOTOGRAPHS COURTESY OF WORLD VISION

Open Systems Critical to Success



JIM PEACH.

SNO'S NEW UNIX Demonstration Room managed by Ray Morcos (seated at right).

Ask most customers and consultants about Open Systems solutions, and the word you're likely to hear is "UNIX". But according to Jim Peach, Australian Open Systems Manager, it's important to divorce the concept of Open Systems from the technology available today to deliver it.

"Conceptually, Open Systems promise

transparent application portability between vendors — regardless of operating system, hardware or networking," Jim says.

"The basic recipe adopted by many customers today, however, is UNIX for the operating system, an ANSI SQL RDBMS for applications, and OSI together with TCP/IP for communications."

Digital's strategy, he says, is to provide the best of both worlds. "When it comes to operating systems, we'll offer Open Systems-compliant VMS to give Open System with the benefits of a feature-rich operating system, plus industry-standard UNIX based on OSF/1.

"We're the best positioned of all vendors to capture a share of the Open Systems revolution," Jim believes, adding that our dual operating system strategy is something that must be giving "nightmares" to vendors who can offer only UNIX.

Local Commitment

Given the rapid growth of the UNIX market — expected to increase by 30% in Australia this year — SPR's Executive Committee recently established the Open Systems Task Force.

The team, promoted outside Digital as the "National Open Systems Group", has a single purpose during FY91 and FY92: increase Digital's share of the UNIX market-place in Australia. ■

UNIX — a New Age of Sharing?

Back in the early 1970s, a group of scientists was doing research using our PDP computers at Bell Laboratories in the eastern USA.

When they invented a new operating system (because the one they were using wasn't much good at processing text for their typesetter), they did not immediately slam patents and copyrights on it. Instead, they shared the discovery of UNIX, their new operating system, with their colleagues in other centres of academic excellence.

Because various groups of scientists began sharing UNIX, it quickly had portability built into it. And because it was easily and cheaply available, the scientists and their eager students developed it further as the years went by.

Time passed and the students graduated. These were the late 1970s and early 1980s, a time of tremendous growth and optimism in the computer industry. Small firms, often the brain children of those same students, were set up in places like Silicon Valley to manufacture new types of hardware. Supported by venture capital, there was little money available to licence expensive proprietary software, so the graduates chose UNIX because it was cheap and because they were familiar with it.

By that time, Bell Laboratories was part of the US telecommunications giant, AT&T. When AT&T was deregulated in 1984 and sold off parts of its business, it decided to keep hold of UNIX. "There is a huge potential here," the strategists reasoned. "We own the

operating software, so if we start building computers ourselves, we can make a mint."

Marketing people stepped in and UNIX began to be heavily hyped. AT&T's manufacturing plants swung into full production. But, the project flopped, with losses estimated at around \$US1 billion.

The hype, however, stuck.

VMS in a Class of its Own

Backed by the growing number of machines running UNIX, customers began to worry that the proprietary architectures they had been

using were not 'portable' or 'open' enough. Today, UNIX is in great demand and Digital, like all major companies with their own architectures, is responding by producing products that run UNIX.

Does UNIX offer any technical advantage over VMS? Well, Sun and Pyramid have always used it. Even HP and supercomputer maker Cray have ditched their own operating systems to exclusively sell UNIX-only machines. Why? They claim that UNIX 'does it all'.

Today's UNIX will indeed do pretty well everything, but there's one area where Digital, with VMS, is still in a class of its own: the VAXcluster, or linking machines together to harness the power of all of them. Digital is making every effort to dominate the UNIX market with a range of new machines — even a VAX 9000 that runs ULTRIX* will be available before long.

And Digital's systems can be used in conjunction with UNIX boxes, too. For example, you can use a VAXcluster as a server for UNIX workstations.

Selling UNIX means that Digital can bid for everything a customer needs, even if they have previously been tied into a competitor's architecture. And with future profits lying with providing a full solution to a problem, followed by years of service contracts and add-on sales, UNIX is destined to turn out to be one of the most important influences ever to shape the face of Digital. ■

* ULTRIX is Digital's name for our UNIX product, which is BSD 4.2.



THE "ORIGINAL" UNIX machine - the PDP-7, used by the creators of UNIX - and our best-selling UNIX machine to date, the DECsystem 5500.



THE AUSTRALIAN ACE's major players (from left to right): Rob Byrne (MIPS), Brad Jelfs (SCO), Daniel Petre (Microsoft), Ian Penman (Compaq) and Frank Wroe.

Digital Creates Standards Juggernaut

Digital and twenty other leading companies in the computer industry have joined to promote a standards-based advanced computing environment.

The new 21-company alliance, led by Digital, PC-maker Compaq and software giant Microsoft, will establish a standard for computers based on Reduced Instruction Set Computing (RISC) technology from MIPS Computer Systems.

The ACE (Advanced Computing Environment) initiative is designed to broaden the use of advanced microprocessor-based systems, while protecting customer investment in today's computing environments.

Effectively, it is a blueprint for the development of an entirely new class of advanced computing systems.

By roping in other suppliers and computer makers, the companies hope to persuade software makers to create programs for ACE machines that are needed to challenge established RISC players such as Sun and IBM. Previously, the only standards for advanced systems were set on an ad hoc basis as established players gained market share. By its very formation, ACE has a standard with which established companies must contend and software makers must figure into their plans.

Together, the ACE participants account for \$US50 billion of world-wide computer and software sales.

NAS is Our Ace

For Digital, ACE is a natural extension in the development of truly open systems and hastens our evolution within strategies already set. A prime example of this is our Network Application Support (NAS) — it already lets VAX customers take advantage of UNIX/RISC and PCs as part of their overall networking.

As well as unprecedented investment protection to our RISC/UNIX and PC customers, our ACE participation will give users access to a wide range of quality

applications through easy integration with other environments.

The ACE initiative is open to all computer companies and will provide connectivity with customers' existing network environments. This includes support for PC and UNIX networking services, and connectivity to IBM SNA and DECnet environments.

Press Conference

A joint local announcement was made in Sydney to coincide with the Corporation's official announcement made in New York. Subsidiary Manager Frank Wroe joined the managing directors (pictured) of Compaq

Computer Australia, Microsoft Australia, MIPS Computer Systems Australia and The Santa Cruz Operation in Australia/NZ, along with senior managers from 12 of the other local subsidiaries of ACE participants, to brief the press.

All the senior Information Technology journalists from the leading media were present and participated in a busy 45-minute question and answer session.

Frank Wroe told journalists that customers will gain access to the largest base of new and existing off-the-shelf applications that can run on a range of computers supplied by multiple manufacturers. "Customers with today's DECstation and DECsystem computers will be able to easily upgrade their current ULTRIX software to the new, enhanced environment because the new version of Open Desktop/MIPS closely parallels our ULTRIX/OSF strategy.

"Those already operating in a UNIX/RISC or Intel x86 environment are ready for those new products and opportunities now," he said.

Other computer giants participating in the historic initiative include Control Data Corporation, NEC, Olivetti Systems and Networks, Prime, Pyramid, Siemens AG/Automation and Siemens Nixdorf Informationssysteme AG, Silicon Graphics, Sony, Tandem, Wang Laboratories and Zenith Data Systems. ■

Technical Roadmap

Key elements of the ACE initiative include:

- **Microsoft's** OS/2 3.0 32-bit operating system based on Microsoft's New Technology foundation which uses advanced operating system principles to implement features such as 32-bit pre-emptive multitasking, portability, symmetrical multiprocessing, high levels of security, and integrated networking. OS/2 3.0 will support MS-DOS, Windows, OS/2 and POSIX-compliant applications, with the features suitable for advanced desktop and server systems.
- **SCO's** unified UNIX system, Open Desktop, is a 32-bit operating environment that fully integrates UNIX, graphical user interface, data management, distributed networking and other services. It provides multi-user, multitasking, security, symmetrical multiprocessing and integrated networked windowing capabilities, and supports applications compliant with all major open software standards including OSF AES, POSIX 1003.1, X/Open XPG3 and SVID Issue 2.

This operating system will be compatible with thousands of applications running under Digital's MIPS-based ULTRIX, SCO's Open Desktop, and other supporting vendors' MIPS-based UNIX operating systems. It is also scalable from laptops to multiprocessing servers.

- **Advanced RISC Computing (ARC)** specification for MIPS RISC microprocessor-based computer platforms to provide products that scale from laptop to data centre and provide binary compatibility for application software. The ARC specification will also complement industry-standard PCs.
- **Support for industry-standard PCs and PC systems.** Inclusion of PCs in the ACE initiative means that 386-, 486- and future x86-based desktop and server platforms will make excellent computing platforms for more demanding applications.

The initiative also provides comprehensive application and peripheral compatibility with an installed base of millions of PCs. ■

May in Digital's History

- 1969 — Digital stock splits three for one on New York Stock Exchange.
- 1974 — Maynard Industrial Park (the Mill), 23 buildings and 1.6 million square feet, is purchased.
- 1978 — VT100 announced.
- 1982 — Introduction of Professional 325 and 350, Rainbow 100 and DECmate II personal computers.
- 1983 — NSW Department of Health signs major contract.
 - America's Cup challenger *Advance* flies Digital spinnaker coming into Sydney Harbour.
 - Digital donates \$US25 million to Project Athena, a joint experimental program with Massachusetts Institute of Technology and IBM to integrate computers and interactive graphics into under-graduate education throughout MIT.
- 1985 — SPR's first VAX 8600 is sold.
 - 1000th SPR employee is hired.
 - Digital wins contract to supply word processing systems to Australia's Parliament.
 - Introduction of MicroVAX II.
 - VAXstation II announced.
- 1986 — Brisbane (BBO) Branch moves to new premises at 61-69 Coronation Drive.
 - EASYnet reaches 10,000-node mark world-wide.
- 1987 — Wollongong (WGO) office occupies new offices in Victoria Street and becomes a Branch office.
 - EASYnet reaches 15,000 nodes.
- 1988 — Digital joins the Open Software Foundation.
- 1990 — 20th anniversary of the PDP-11 is marked by two new PDP-11 systems, MicroPDP-11/93 and PDP-11/94. ■

Good Ideas

Back in June last year, when SNA Product Manager John Broughton first proposed * direct payment of employee expenses to their bank accounts, he could visualise today's smooth operation. Faster transactions and reduced paperwork saves time and money for busy people.

But John lacked the resources and skills to implement the proposal himself, so Jim Molloy and his team took up the baton.

Jim, Systems Business Finance Manager, completed the needs survey around August and detailed planning about September. Programming, of course, was not a small task, but it was completed in time for testing and implementation on schedule.

We now have a procedure which saves employees time and is much more convenient than the older method.

If you have ideas about process improvement at Digital, send your idea to the

World Update



America: Digital has won a \$US4.6-million contract from Delta Air Lines to provide systems and services that will automate the production of Delta's aircraft maintenance information. This will be the first on-line maintenance information system used in the airline industry.

Scotland: Digital will supply and install cabling and networks to the Scottish Health service. One of the most significant multivendor LAN projects in Europe, it will link everything from radiology to administration.

Hong Kong: Headquarters for Asia Region and the subsidiaries of Hong Kong and People's Republic of China will be combined under one roof in the top seven floors of a new 22-storey development (see picture at right), currently under construction in Hong Kong, by early 1992.

With 1700 employees, Digital has the biggest presence among computer companies in Hong Kong, and the new lease is one of the five largest ever arranged in the history of the British colony's commercial market.

America: A major study provides reassurance on the safety of VDTs. The National Institute for Occupational Safety and Health found no relationship between electromagnetic fields emitted from VDTs and miscarriage.

The Institute reported that miscarriages

occurred three times more often in women who smoke more than one pack of cigarettes per day during pregnancy, and among women who use alcohol more than eight times per month.

Digital will continue to carefully monitor research of this kind and will communicate new information to employees.

Germany: Hans Dirkman has been named GM of Digital-Kienzle Computersysteme GmbH & Co KG, reporting to Pier Carlo Falotti, President, Digital Europe.

(In March we reported that Digital had reached an agreement with Mannesmann AG to acquire 65% of a new company to be formed from the Mannesmann Kienzle-Computer Systems Division, and the PROCAD GmbH and PCS GmbH divisions of Mannesmann Kienzle.)

America: Digital has been named prime contractor to develop a unique computer-integrated telephone system for the New York City Department of Correction, which houses detainees awaiting trial and sentenced inmates serving less than one-year terms.

The new system will be used to manage telephone calls and commissary purchases made by 25,000 inmates, and will combine VAX systems, networking software, telephones, PBX telephone switches, voice recognition and response units, and custom software.

Europe: Digital recently linked 13 European central banks with an open and fully integrated communications network which includes the Bank of England, Germany's Bundesbank and the Swiss Bank for International Settlements, and puts on line European Community capitals from Copenhagen in the north to Athens in the south.

Banks in Eastern Europe, Scandinavia, Austria, US and Japan have already expressed interest in joining the system.

Japan: A new "Supercomputing Centre" has been established in Tokyo to focus on high-performance computing, providing internal and customer training, consulting, and porting and optimisation support.

Two other Digital Supercomputing Centres — all part of the EIS organisation — have also opened in Houston, Texas and Valbonne, France.

America: In a test performed at the University of Tennessee, a supercomputer from Thinking Machine handled 5.2 billion numerical calculations, or floating point operations, per second — outpacing machines made by Japan's Fujitsu (the previous record holder) and NEC.

The test is a coup for a style of supercomputing known as massive parallelism (see story page 3). Unlike conventional supercomputers, which use one or several processors to solve a problem sequentially, the massively parallel computer from Thinking Machine uses up to 64,000 tiny processors to carve up a problem and solve it in one big bite.

Take Time



"I Want to Contribute" program — to "Costsavers" via ALL-IN-1 — and let others benefit from the improvements. ■

**John was not the first to propose reimbursement of expenses direct to a bank account. Others, including BBO's Bob Smith, also proposed this but in a slightly different way.*

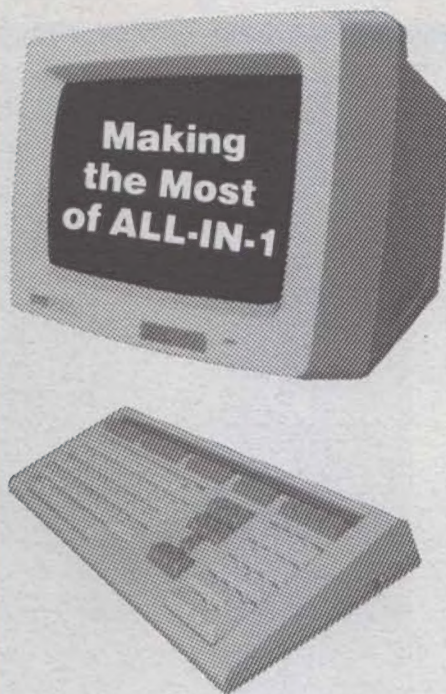
Canada: Product Authorisation Keys (PAKs) packages, proofs of software license purchases by customers, are being packaged a new way by Digital in Canada. The new packaging eliminates bulkiness and several laborious manual tasks, and saves 80% in materials cost alone.

Corporate guidelines traditionally call for shipping the PAKs in "pizza-type" cardboard boxes filled with the license PAK and instructions. PAKs from Canada are now being produced like a Digital pay cheque, in the form of a bilingual "print-through" self mailer. The new method will amount to material costs savings in Canada of about \$US40,000 a year, and is being explored in many other parts of Digital's world.

Korea: One of Korea's leading securities firms has purchased a VAX 9000 mainframe to manage customer accounts, access investment information, run an integrated branch management network, and handle trading/portfolio management systems.

The sale to Dongnam Securities, one of Korea's fastest-growing securities companies, marks our sixth VAX 9000 sale in Asia and the first to an Asian financial firm. ■

QUARRY BAY PARK views await Asia Region Digits at Cityplaza, a model of which is shown here with (centre) Digital Asia's F&A Manager Alexis Ford and Asia Region Manager Bobby Choonavala. ▼



Q Is there any way I can print a list of all my folders?

A Yes — with the new option IPS have just made available. From the Electronic Messaging option, type SI. You can sort by document, folder, author or even find out the size of all your documents. ALL-IN-1 will sort the requested information and print a copy for you.

Q Is there any way I can stop a document from printing once it has started?

A If you can access the MISMENU, one of the new options is called Queue. Type Queue and press return. You can then select from a variety of options such as listing print jobs in the queue, restarting a print queue, and the deletion of print jobs from queues. ■

Career Milestones

"Congratulations" to our long-serving Digits who will celebrate service anniversaries next month.

■ Five-year Recipients

Bing Liem, SNO EIS
John O'Neill, SNO Cus Ops
Paul McFarlane, WPO CS
Terry Armour, SNL CS
Phillip Heenan, ADO Sales
Theresa Lau, SNO EIS
Bob Plemel, CAO EIS
Brett Cummins, NLO CS
Steve Avery, MEO Sales
Linda Hart, MEO Cus Ops
Peter Driutti, BBO Sales
Lynne Hoffmeister, WAJ Cus Ops

■ Ten-year Recipients

Kevin Richardson, SNO Mktg
Tom Schneider, TVO Sales
Les Meikle, CCO CS
Steven Phelps, STL CS
Allen Young, NZO EIS
Barbara Lillyman, SNL Mfg
Ronald Klumpes, NLO CS
Gabby Morena, WAJ Cus Ops

Company Outlook Explained

Subsidiary Manager Frank Wroe and Australian MD-elect Ron Larkin travelled across Australia in April and May, meeting staff in major remote locations and sharing their views on the health of the company with employees.

Their personal visits were well-received as Frank and Ron updated staff on the performance of the business and outlined many of the programs and initiatives being implemented.

Frank's informal presentation covered a wide range of business, organisational and employee issues. He said the Region was meeting many of its milestones — particularly sales objectives and expense improvements — but because of the changing nature of our business was yet to achieve its profit targets.

"The Sales organisation is bringing in the orders we need, but we will miss our profit margins," he said. "There are all sorts of reasons for that. We have to learn to adjust (to them) as we move forward."

Frank also spoke in depth about expense reduction efforts, changes in SPR's management structure, what's ahead in the area of salaries, the importance of Complementary Solution Organisations (CSOs) and alliance partners, and strategic directions of the company.

Ron Larkin followed and gave his views on the critical areas of business as we move into the 90's: account management, integration within the company, strategic alliances, productivity, profitability, sustaining growth and our organisational capability.

"All is not well in our economy or in our industry, but this is an environment that everyone — including our competition — faces. The industry is being restructured. We can influence some of that and must accept that some other parts we cannot influence,



LIGHTS, ACTION, CAMERAS as the State of the Company address given at MEO is filmed for Region-wide distribution. Insert: Ron Larkin (left) and Frank Wroe.

and that only the fittest will survive," he said.

"I'm really confident about the future. As an organisation we're moving from an era of know-how to *learn-how*, and the future belongs to the *learning* organisations.

"It's how we learn together and how we manage the diversity and complexity that's going to determine our future," Ron said.

Later, joined by Regional Personnel Manager Hugh Johnson, Ron and Frank took questions from employees who had obviously enjoyed the pair's frankness, and who responded by asking searching, positive questions.

In the inaugural round of State of the Company addresses, the forthright messages

about SPR's good and poor performances gave enormous cause for optimism. One person — this writer — found the Melbourne event rewarding, a fine demonstration of the strength and commitment of the Digital community. Amidst the complexities of our business so aptly explained by Messrs Wroe and Larkin, to strive for a company which is

- better organised
- much easier to do business with
- much more simple to work in
- and as efficient as each of us would like it to be

is a noble aim. As Ron put it so well, "If we all do this, we will have more than our fair share of the opportunity that faces us in the future." ■

Rim Gets the Nod



Rim Keris has been appointed SPR's Director of Marketing, replacing Keith Osborne.

Rim will lead and manage the Marketing group and report to the yet-to-be-announced successor to Ron Bunker, Director of Sales and Marketing.

In a similar move that united the CS and EIS organisations into a single Digital Services group (see story front page), Rim's new position marks the consolidation of SPR's Marketing and Sales staff groups into a single marketing organisation. Included in this consolidation are the existing groups managed by Keith Osborne, Pat Molloy and Rim Keris.

Until Ron Bunker's replacement is named, Rim will sit on the Executive Committee.

During his 14 years with Digital, Rim has held a number of senior-management positions both here in Australia and at Corporate level. His experience as Sales Manager, Marketing Manager and most recently as our Desktop Program Director provides a wide range of customer, field and business perspectives.

Keith Osborne will continue to play an important role in Digital's management structure, which will tap his substantial experience in Marketing, Sales and Sales Support.

The new marketing group has the challenge to help us restore growth and profitability, and will focus on five key marketing responsibilities: Product/Services Marketing, Industry Marketing, Account Marketing (now managed by Pat Molloy), Channels Marketing and Corporate Communications. ■

Bill Demmer: Managing the Change-over

Seventeen years ago, one of the most successful designs in the history of computers was dreamed up by a handful of Digital's top engineers. That design was the VAX, and behind it was Bill Demmer. Now he's doing it again.

Bill managed the team that built the first VAX, the VAX-11/780, and is the man claimed by Gordon Bell, former VP and the technical genius behind our PDP and VAX machines, to be the man who "probably made more money for Digital than anyone."

Bill's list achievements go on: he led the VMS development team; he built the VAX-11/750; in the 1980s he focused on making our computers communicate on networks; and last year Bill, a VP since 1981, was placed in charge of the entire VAX line, from desktop to data centre.



Bill has the job of making the transition between the VAX range and the next great Digital computer.

Enter "Alpha"

With a list of credentials like this, it's not surprising that today, under pressure from a new generation of competitors' computers, Digital is again turning to Bill Demmer - this time to head a project code named "Alpha".

In essence, Bill now has the job of making the transition from VAX, which generates 90% of our \$US13-billion revenues, to the next great Digital computer.

Expected next year, it's likely that Alpha will use faster RISC microprocessors — but it's uncertain if the new line, which will run both VMS and ULTRIX, will be renamed. ■

IBM Results Down

IBM's first-quarter results disappointed analysts and offer little hope for an earnings recovery until the year's second half.

IBM's operating profit for the first quarter was the company's first-ever operating loss, and Wall Street was startled by the depth of the 17% drop off in Big Blue's hardware sales.

In the quarter, IBM had a massive loss of \$US1.73 billion (\$US3.03 a share) compared with a year-earlier profit of \$US1.04 billion (\$US1.81 a share). Revenue slid 4.5% to \$US13.55 billion.

IBM also admitted its RS/6000 workstations hadn't met the company's projections, and conceded for the first time that it may be losing share in the PC market.

All this raises concerns about how IBM will perform until a new generation of big mainframe computers starts bolstering results later this year.

IBM said Europe did the best of any geographic area, and that the US did the worst.

In other industry news, NV Philips executives cannot see an end to losses in that company's PC business until early next year. ■

8% Revenue Gain in Q3

For the third quarter, which ended March 30, Digital reported total operating revenues of \$US3.5 billion — up 8% from the \$US3.3 billion of the comparable quarter a year ago.

"The difficult economic environment of the past several quarters is still with us," said Jack Smith, Senior VP, Operations. "The uncertain business outlook, which was heightened by the Middle East conflict, is resulting in delays in customers' investments in technology — particularly for large systems.

"Despite this adverse economic climate, we are confident of our overall direction. We've made good progress in our program of lowering expenses, consolidating our facilities and restructuring our work force.

"During the quarter, more than 2200 people left the company."



KEN OLSEN.

Workstation Business Grows

Ken Olsen, President, said world-wide service revenues grew 20% as customers "recognise our unique capabilities in System Integration, where we manage large complex projects incorporating technology from numerous vendors."

Also, our RISC/UNIX workstation business doubled year to year and, to date, we've shipped more than 250 VAX 9000 systems.

"We are confident in our long-term technology strategy," said Ken.

Net income for Q3 was \$US117 million, versus last year's Q3 net income of \$US25 million, and quarterly earnings per share were \$US.94 versus \$US.20 last year. ■



JACK SMITH.



▲ **DIGITAL**, CO-SPONSORS for the Fay, Richwhite Corporate Triathlon Series in NZ this year, fielded a team at the Christchurch event earlier this year.

Robin Elvery (SUM), Roger Orme (Sales) and Rick Godfrey (EIS) put in a super effort and were rewarded with a third-place result ... and the two teams they finished behind were comprised up of triathlon "specialists" who had all been part of the NZ Commonwealth Games team!

★★★

Subsidiary Manager-elect Ron Larkin has spelled out the six critical issues he sees facing us in SPR:

1. sustaining growth in the changing and maturing Information Technology market
2. the challenge of account management, and our relationship with customers
3. the importance of identifying and maintaining relationships with strategic partners and alliances
4. integrating our own enterprise
5. the productivity of every employee
6. and the profitability of our Region.

★★★

Many thanks to everyone who completed and returned their *Digitalk* reader questionnaire. The return rate from the survey was nothing short of astounding and we'll tell you what you said about us as soon as the results are tabulated.

★★★

A US Digit was in SPR recently on the last leg of a round-the-world business trip that included Moscow, where he discovered that bureaucracy Soviet-style leaves us Westerners for dead.

He said one Russian had his own approach to eliminating the never-ending proliferation of paperwork. "It's useless to fight forms," he told our Digit. "You've got to *kill* the people producing them."

Strangling them with red tape seems a suitable solution!



★★★

Word is that President Ken Olsen recently decided to print out his messages — the result was nine metres of printed ALL-IN-1 mail, highlighting the growing problem of "electronic junk mail". Anyone got a filter?

★★★

"Happy zero birthday!" goes to Master Kendall King, heir to the throne and fortune of External Research Manager Fred King and his lovely wife Glenda. First-born Kendall was born February 26 and, at the time of this writing, we're *still* waiting, waiting, waiting for the customary cigar from the new Dad...

PERSONAL

DEC-10 I know you're still number crunching up there. I'll never let anybody else crunch my numbers down here.

106054

JAMES COOK UNI of North Queensland has farewelled an old friend in the shape of a DECsystem-10 computer. Mourners printed a memento of its passing containing death certificate and notices (pictured) in the local newspaper! "Survivors" of the DECsystem-10 include a VAX 6320 and DECsystem 5000.

★★★



JOLANDE'S FAREWELL was an emotional get-together in April, with well-wishers showing up to pay tribute to one employee who really did make a difference. Here, Jolande Brothers is flanked by the two main men in her Digital career, Max Burnet and Frank Wroe. She served as Senior Executive Secretary to both during her 15 years with the Company.

ODE TO TEAMWORK

I will try to first understand, then be understood. "Be quick to hear, slow to speak, slow to anger"

I will make a conscious effort to make my teammates look and sound good to others, inside and outside of the Company.

I will encourage my teammates to stretch, to try new things, to succeed — and I will be available to help in areas I have expertise.

If a teammate fails, I will do my best to help them recover and learn from the failure in a manner that I'd appreciate being helped.

I will do what I commit to do, and I give you permission to hold me accountable if I do not.

I will work hard to be better, more

vocationally competent, next month and next year than I am today.

I will respect my teammates enough to be at team meetings, and be on time.

I will not withhold information from my teammates.

I will always go to the person with whom I have an issue first, and will only go to others if that person is aware I plan to do so.

I will actively offer constructive ideas and criticism. But when we must professionally agree to disagree, I will defer to the Manager and to the team,

And I will work just as actively to support those decisions. ■

Portable telephones can kill, or so says an English environmental health scientist, who reports the mobile phone is a transmitter with an electronic and magnetic field. "The little aerial at the top sits next to the head and gives off radio waves straight into the brain.

The boffin blames the phones as a possible cause of personality change and "yuppie flu" and, he says, brain tumours and leukaemia.

There's a rat in the Perth office!

To raise awareness of the need for good telephone skills, WPO Digits have a "staff rat", a stuffed toy that gets stuck to a person's office partition if they forget to divert their phone, let a phone next to them ring too long, or get sprung handling the phones badly. The rodent reminder then stays put until another wrongdoer is discovered.

"We also placed a mouse trap next to each phone," says WPO Sales' Doreen McCallum.

Still on Mr Bell's baby, ALL-IN-1 authority Nicole Smith asks if everyone knows that taking those telephone messages for fellow Digits is made simple by ALL-IN-1's Phone Mail.

"From any screen within ALL-IN-1, just type PHONE and press return. You can then send phone messages to anyone in Digital who has an ALL-IN-1 account," Nicole says.

According to Channels Sales Manager Colin Kidd, effort put into our workstation business has really paid off since being moved to Channels last year.

As most would know, our workstation product range is a major component of the company's success in FY91 and beyond, so the good news is great for everyone.

Colin acknowledged the contribution made to the turnaround, most notably by our two Workstation Sales Managers David Mackay and Tim Brewin, and Workstation Product Manager Carol Johnson.

While we're throwing bouquets, here's one for MEO EIS's Mark Priebsch who's been named SIG (Special Interest Group) Chairperson for the Distributed Computing Environment SIG in the Partners Program, a volunteer association that ties together many of Digital's cross-functional engineering organisations.

Mark's SIG will play a key role in feeding product requirements to Digital's marketing and engineering organisations, and as Chairperson, he will become closely involved with engineering strategy team groups, influencing product functionality and direction.

During his involvement with the Partners Program, Mark's covered the concerns and issues for SPR with superb professionalism and technical ability.



▲ **COMPETENCY CIRCLES** are technical associations made up of professionals from major functions. Members meet regularly to gather facts, encourage peer-to-peer coaching and stimulate new ideas. The Circles are invaluable to strategic marketing plans and organisational productivity, while the 100 Digits involved report greater job satisfaction from learning of others' experiences and ideas. Here, Marketing's Michael Banbam addresses a Competency Circle meeting and (inset) Marianne Starkey, who is facilitating the activity.



Overheard at MEO CS when a tardy Digit explained she had overslept: "Humans are the only animals that go to bed when they're not tired, and get out of bed when they are!"



CONTINUING OUR SUPPORT of Sydney's St. Vincent's Hospital, Digital recently donated a laser printer to the Hospital's Bowel Cancer Screening Unit.

Early detection of bowel cancer can often lead to non-surgical treatment, and the new printer will enable reports of tests to be sent to patients and doctors. Shown with the valuable piece of equipment is (left) Dr Donald Frommer and NSW Health SUM Peter Lane.

SNO-based Services Marketing's Leigh Newton and wife Gillian, formerly STL's Customer Response Centre Manager, welcomed son Breece to the clan on March 30. Master Newton is a little brother to Alea, aged three, and not-quite-two-year-old Kaolyn.

Quick quiz time. With the retirement of long-time super Salesperson Albert Cuschieri and taking of leave by Senior Executive Secretary Jolande Brothers, do you know who amongst us is now:

1. Australia's longest-serving female employee?
2. New Zealand's longest-serving female employee?
3. Australia's longest-serving male employee?
4. New Zealand's longest-serving male employee?

The answers are below.

A Digit in the Management Centre of SNO, home to our senior managers, recently set about making up a single sentence containing all of the illustrious names on the Centre's office doors. Here's the result:

"JOHN's SON, who had a BROWN LAMB called KIM, WROEd through the MEYER to the BUNKER and yelled "HADDADI!" when he saw two BOLTON KANGA-RAYS, and then wondered which was the SHORTER of the two animals."

We also hear the author (who shall remain nameless to protect the guilty) was just sky-LARKIN. ■

- ANSWERS:
1. BBO Sales' Brenda Williams began her Digital career in the USA on February 5, 1973, while the longest serving Aussie staffer is CMO's (ex-ADO) Sharon Martin (24/5/76)
 2. NZO Secretary Jenny McGlory (20/9/76)
 3. SNO Regional Technology Consultant Mike Burnet (26/6/67)
 4. NZO CS Engineer Joe Wilson (27/11/72)

2 Meet Mohamed
SPR Executive Committee member Mohamed Haddadi talks about SPR's world-class Manufacturing operation.

5 An ACE Idea
Digital helps form an industry association with a view to make standards stick.

8 State of the Company
We report on the series of Company updates given by Mssrs. Wroe and Larkin to major offices. Must-reading!

10 Around the Traps
Photos, poems and the good oil from the best Region in Digital's world.

digital

Digital, the official magazine for Digital Equipment Corporation's employees in the South Pacific Region (SPR), is published ten times a year by Digital Equipment Corporation (Australia) Pty Limited, Corporate Communications SNO2-3/F3, 410 Concord Road, Rhodes NSW 2138 Australia.

Edited by Stephen De Kalb. Special contributors to this issue: "Anonymous", Anne Gripper, Mohamed Haddadi, Rolf Jester, Hugh Johnson, Candace Parks, Jim Peach, Ian Pugsley and Nicole Smith. Special thanks to Inside Contact @CFO, Connect @RDL and Robert Lee @HGO.

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CONTRIBUTORS' SCHEDULE:

July issue — June 10
August issue — July 8
September issue — August 12

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TUES 8P TO 9P

Back-to-Front to Win

This issue it's a crossword with a dizzying difference...

Enter every answer in the puzzle back-to-front or upside down. For example, the clue "bury" would lead to the answer *implant*, but it would be entered as *tnalpni*!

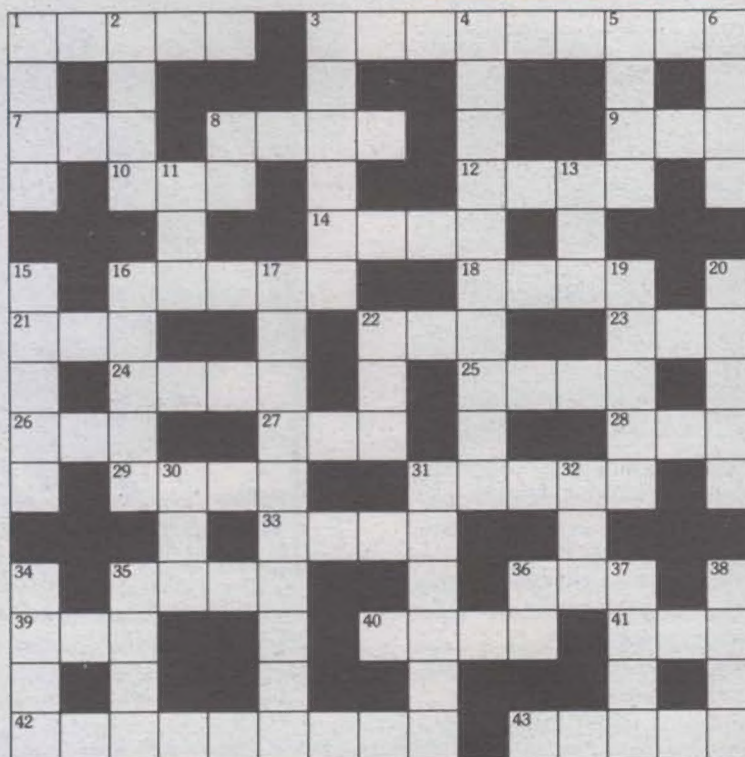
The rest of the rules remain straight forward enough: clip/photostat your completed crossword and send it to *Digital*, SNO2-3/F3 by June 10. We'll select an entry from all correct ones received and that lucky Digit will enjoy a \$A100-dinner on us. Cheers!

Donna's McFeast

Much-liked Donna McRae, SNO-based Sales Systems Manager, scooped a prized dinner

after meandering her way through our March maze (pictured) and then having her entry drawn first from all received.

Word has it that Donna's planning a *Digital*-funded feed at a McDonald's Family Restaurant which — and you can take our printed word for it — would be most *uncharacteristic* of her! ■



Across

1. Welcome
7. High or low card
8. Position
9. Small vegetable
10. Flying mammal
12. Close off
14. Steady pace
16. Lucky number
18. Soil
21. Snake-like fish
22. Consume
23. Day before

24. Farm building
25. Untidy heap
26. Writing fluid
27. What one may do on the piste
28. Resinous tree
29. Not warm
31. Around and — — — —
33. Bankrupt
35. Small amount
36. The 'I' or self
39. Hat
40. Dress
41. Magician's hat

42. Exciting
43. Angry

Down

1. Rhythm
2. Domesticated
3. Rigorous and thorough
4. Disconcerting
5. Girl's name
6. Mimics
8. Exist
11. Geological division of time
13. Angry

15. Aptitude
16. Cloth made from flax
17. Unconquerable
19. Provided with weapons
20. Later
22. Badger's hair
30. Small number
31. Frustrate
32. Chatter
34. Stare with open mouth
35. Ancient Peruvian
36. Leave
37. Flow slowly
38. Coffee house

003734

MAX BURNET
CORPORATE RELATIONS MANAGER
SNO 1-2/C5